

AN ACT

ENTITLED, An Act to increase the retirement allowance for certain credited service under the South Dakota Retirement System.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That subdivision (28) of § 3-12-47 be repealed.

(28)

Section 2. That § 3-12-91 be amended to read as follows:

3-12-91. Upon retirement, a member shall receive a normal retirement allowance, commencing at normal retirement age or thereafter as provided in § 3-12-90, for class A credited service, equal to the larger of 1.3% of final compensation for each year of class A credited service, or 2.0% of final compensation for each year of class A credited service, less other public benefits. For purposes of this section, federal military retirement or federal national guard retirement benefits are not other public benefits. Class A credited service includes all credited service under this or any of the retirement systems consolidated pursuant to § 3-12-46.

However, the allowance for each year of credited service prior to July 1, 1997, shall be as provided in section 5 of this Act.

Section 3. That § 3-12-92 be amended to read as follows:

3-12-92. Upon retirement after July 1, 1974, a member shall receive a normal retirement allowance, commencing at normal retirement age or thereafter as provided in § 3-12-90, for class B credited service other than as a justice, judge, or magistrate judge, equal to 2.0% of final compensation for each year of class B credited service other than as a justice, judge, or magistrate judge.

However, the allowance for each year of credited service prior to July 1, 1997, shall be as provided in section 5 of this Act.

Section 4. That § 3-12-92.4 be amended to read as follows:

3-12-92.4. Upon retirement after July 1, 1974, a member shall receive a normal retirement allowance, commencing at normal retirement age or thereafter as provided in § 3-12-90, for class B credited service as a justice, judge, or magistrate judge equal to 3.333% of final compensation for each year of class B credited service as a justice, judge, or magistrate judge up to fifteen years plus 2.0% of final compensation for each year of class B credited service as a justice, judge, or magistrate judge in excess of fifteen years.

However, the allowance for each year of credited service prior to July 1, 1997, shall be as provided in section 5 of this Act.

Section 5. That chapter 3-12 be amended by adding thereto a NEW SECTION to read as follows:

The retirement allowance for periods prior to July 1, 1997, shall be 1.4% of final compensation for each year of class A credited service.

The retirement allowance for periods prior to July 1, 1997, shall be 2.1% of final compensation for each year of class B credited service other than as a justice, judge, or magistrate judge.

The retirement allowance for periods prior to July 1, 1997, shall be 3.433% of final compensation for each year of class B credited service as a justice, judge, or magistrate judge up to fifteen years, plus 2.1% of final compensation for each year of class B credited service as a justice, judge, or magistrate judge in excess of fifteen years.

Section 6. That § 3-12-138 be repealed.

Section 7. That chapter 3-12 be amended by adding thereto a NEW SECTION to read as follows:

Each member who retired prior to July 1, 1997, and each beneficiary of a deceased member who retired prior to July 1, 1997, shall receive a retirement allowance as provided in section 5 of this Act. Retirees and beneficiaries receiving an allowance based on the class A 2.0% formula

provided in § 3-12-91 shall continue to receive that allowance unless the retiree or beneficiary would receive a higher benefit under the 1.4% formula provided in section 5 of this Act when improved by the improvement factor for each full fiscal year from the date of retirement to July 1, 1997.

Increased benefits as provided by this section are effective July 1, 1997.

Each member or beneficiary of a member who retired prior to July 1, 1974, who is receiving benefits pursuant to § 3-12-126 or each member or beneficiary of a member who elected to retire pursuant to § 3-12-127, may have a benefit increased by 2.0% in lieu of the increase provided in this section.

If a member retired prior to normal retirement age, the allowance shall be adjusted in accordance with the law in effect at the time of retirement. If a member elected an alternate method of payment under the law in effect at the time of retirement, the allowance shall be adjusted in accordance with the law in effect at the time of retirement. If the additional allowance is to be paid to a beneficiary of a deceased member, the additional allowance shall be adjusted in accordance with the law in effect at the time of the member's retirement.

No member or beneficiary whose retirement allowance terminated prior to July 1, 1997, may receive any benefits pursuant to this section.

An Act to increase the retirement allowance for certain credited service under the South Dakota Retirement System.

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I certify that the attached Act  
originated in the

SENATE as Bill No. 34

\_\_\_\_\_  
Secretary of the Senate  
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\_\_\_\_\_  
President of the Senate

Attest:

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Speaker of the House

Attest:

\_\_\_\_\_  
Chief Clerk

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Received at this Executive Office  
this \_\_\_\_ day of \_\_\_\_\_ ,

19\_\_ at \_\_\_\_ M.

By \_\_\_\_\_  
for the Governor  
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The attached Act is hereby  
approved this \_\_\_\_\_ day of  
\_\_\_\_\_, A.D., 19\_\_

\_\_\_\_\_  
Governor  
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STATE OF SOUTH DAKOTA,  
ss.  
Office of the Secretary of State

Filed \_\_\_\_\_, 19\_\_  
at \_\_\_\_\_ o'clock \_\_ M.

\_\_\_\_\_  
Secretary of State

By \_\_\_\_\_  
Asst. Secretary of State

Senate Bill No. 34  
File No. \_\_\_\_\_  
Chapter No. \_\_\_\_\_